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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

	Application No.	Applicant(s)
	10/080,902	HIBBERT ET AL.
Office Action Summary	Examiner	Art Unit	
	JAMIE H. SWARTZ	3694	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on <u>20 March 2009</u>.
2a)☐ This action is **FINAL**.   2b)☒ This action is non-final.
3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) <u>36-80</u> is/are pending in the application.
     4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5)☐ Claim(s) _____ is/are allowed.
6)☒ Claim(s) <u>36-80</u> is/are rejected.
7)☐ Claim(s) _____ is/are objected to.
8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.
10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.
     Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
     Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
     a)☐ All   b)☐ Some * c)☐ None of:
          1.☐ Certified copies of the priority documents have been received.
          2.☐ Certified copies of the priority documents have been received in Application No. _____.
          3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
     * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1)☒ Notice of References Cited (PTO-892)
2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3)☐ Information Disclosure Statement(s) (PTO/SB/08)
      Paper No(s)/Mail Date _____.
4)☐ Interview Summary (PTO-413)
      Paper No(s)/Mail Date. _____.
5)☐ Notice of Informal Patent Application
6)☐ Other: _____.

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

1. A request for continued examination under 37 CFR 1.114, including the fee set

forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this

application is eligible for continued examination under 37 CFR 1.114, and the fee set

forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action

has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on March

20/2009 has been entered.

Claims 36-80 are pending. Claims 1-35 are cancelled. No new claims have been added.

Claims 33-38, 40, 45, 49-51, and 66 have been amended.

Response to Arguments

2. Applicant's arguments with respect to claims 36-80 have been considered but are

moot in view of the new ground(s) of rejection.

3. Applicant's arguments filed 36-80 have been fully considered but they are not

persuasive. On page 13 the applicant has argued the 35 USC 101 rejection of claim 66

because it is a computer manufactured product. However, though the applicant is

claiming a computer program product the applicant states "when executed" thus the

actual step of using the product is not positively recited. What happens if the disc is

never used? Thus the applicant in this specific case is only claiming a physical disk that

stores data. Is the applicant claiming the use of a product, or is it claming a method that

is done specifically by the product?

Claim Rejections - 35 USC § 101

4.   35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5.   Claim 66 is rejected under 35 U.S.C. 101 because the method claims are not

attached to another statutory class. Based on a Supreme Court precedent (Diamond v.

Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978);

Gottschalk v. Benson, 409 U.S. 63, 70 (1972)) and recent Federal Circuit decisions, it

was decided that a § 101 process must (1) be tied to another statutory class (such as a

particular apparatus or (2) transform underlying subject matter (such as an article or

materials) to a different state or thing. If neither of these requirements is met by the

claim, the method is not a patent eligible process under § 101 and is rejected as being

direct to non-statutory subject matter.

Claim Rejections - 35 USC § 103

6.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

7.   Claims 36, 37 are rejected under 35 U.S.C. 103(a) as being unpatentable over

Acosta et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of

Libman (US 2007/0043654).

8.   Regarding claim 36, Acosta teaches a loan pool module to store loan-level data

associated with each of one or more loans in a loan pool (col. 3, line 35-60 and col. 1,

line 63 – col. 3, line 16). Acosta teaches a loan pool module to store loan-level data

associated with each of one or more loans in a loan pool (col. 3, line 35-60 and col. 1,

line 63 – col. 3, line 16). Acosta teaches a sample selection module to detect samples

of different criteria in the loan pool, the sample selection module including a loan

aggregation tool to aggregate the loans into a plurality of specific criteria results based

on the loan-level data, and a sampling tool to select an amount of the loans from the

plurality of results of a specific criteria up to a designated target loan sample size (col. 3,

line 35-60 and col. 1, line 63 – col. 3, line 16, col. 9, lines 11-25). Acosta does not

specifically teach wherein the sampling specifically involves high risk loans. However,

Business Wire teaches wherein the selection tool detects high risk loans including

different risk results (pg. 1-2). Acosta teaches loan sampling based on various criteria

while Business Wire teaches loan sampling specifically by the risk status of the loan. It

would have been obvious to one of ordinary skill in the art at the time of the invention to

modify Acosta to include the details of analyzing based on risk. Analyzing loans based

on risk provides the ability to measure, and thereby improve, loan quality, while

significantly reducing the operational costs of compliance. Improved loan quality attracts

more and better borrowers, while insuring a portfolio premium with investors and

agencies. Risk is also a well known characteristic of a loan. Acosta does not specifically

teach aggregating a plurality of loans in a loan pool into a plurality of risk results or

selecting an amount of a plurality of loans from each of a plurality of risk results to make

a sample size. However, Libman teaches aggregating a plurality of loans in the loan

pool into a plurality of risk results based on the loan-level data (¶ 37-46, 57). Libman

also teaches selecting an amount of the plurality of loans from each of the plurality of

risk results up to a designated target loan sample size (¶ 37-46, 57). Acosta teaches

servicing of loan portfolios and loan servicing portfolios. Libman teaches evaluating

loans, and more particularly, to a system and method for providing a mortgage loan

pricing model for various lending scenarios. It would have been obvious to one of

ordinary skill in the art at the time of the invention to modify Acosta to include the details

of analyzing based on risk. Analyzing loans based on risk provides the ability to

measure, and thereby improve, loan quality, while significantly reducing the operational

costs of compliance. Improved loan quality attracts more and better borrowers, while

insuring a portfolio premium with investors and agencies. Risk is also a well known

characteristic of a loan. It would have been obvious to one of ordinary skill in the art at

the time of the invention to modify Acosta to include the details of aggregating loans into

a loan pool based on risk. Effective management of the loan pool's risk requires

understanding and control of the risk profile and its culture. There must have a thorough

knowledge of the pool's composition and its inherent risks. It is important to understand

a pools mix, industry and geographic concentrations, average risk ratings, and other

aggregate characteristics. The policies, processes, and practices implemented to control the risks of individual loans and portfolio segments must be sound. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Acosta to include selecting an amount of loans from the risk results to a designated loan sample size. A target loan sample size allows the investor to control the number of loans in the pool but also allows for a control of the risk. The greater the number of high risk investments involved in the pool the more risk the investor will have.

9.   Regarding claim 37, Acosta teaches a current loan sample size and a target loan sample size (col. 9, line 11-25).

10.   Claims 38, 39 are rejected under 35 U.S.C. 103(a) as being unpatentable over Acosta et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of Tealdi (US 20010029482 A1) in further view of Libman (US 2007/0043654).

11.   Regarding claim 38, Acosta teaches loan sampling, while Business Wire teaches the loan sampling of high risk loans. The combination of Acosta and Business Wire does not specifically teach the act of underwriting the loan. However, Tealdi teaches an automated underwriting tool to aggregate the loans based on one or more underwriting categories (¶ 125-138). The combination of Acosta and Business Wire teach a risk loan sampling tool. Tealdi teaches an automatic system for handling loans. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify

Acosta to include the details of underwriting a loan into different categories into the

system of Acosta. As in Tealdi it is within the capabilities of one of ordinary skill in the

art to add steps involved in loan processing to an invention which includes loan

sampling. The technique of underwriting a loan was old and well known at the time of

the invention.

12.   Regarding claim 39, Acosta teaches loan sampling, while Business Wire teaches

the loan sampling of high risk loans. The combination of Acosta and Business Wire

does not specifically teach the act of underwriting the loan a into the categories of

reject, prime and sub-prime. However, Tealdi teaches wherein the underwriting

categories include reject, prime, and sub-prime categories (¶ 125-138). The

combination of Acosta and Business Wire teach a risk loan sampling tool. Tealdi

teaches an automatic system for handling loans. It would have been obvious to one of

ordinary skill in the art at the time of the invention to modify Acosta to include the details

of underwriting a loan into different categories into the system of Acosta. As in Tealdi it

is within the capabilities of one of ordinary skill in the art to add steps involved in loan

processing to an invention which includes loan sampling. The technique of underwriting

a loan including reject, prime, and sub-prime was well known in the art at the time of the

invention.

13.   Claims 40, 41, are rejected under 35 U.S.C. 103(a) as being unpatentable over

Acosta et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of

Libman (US 2007/0043654).

14.   Regarding claim 40, Acosta teaches wherein the loan aggregation tool includes

an adverse selection query tool to aggregate the loans based on one or more loan

parameters associated with a profile of the loan pool (col. 3, line 35-60). Acosta does

not specifically teach wherein the sampling specifically involves loan risk. However,

Business Wire teaches loan sampling in association with risk (pg. 1-2). Acosta teaches

loan sampling based on various criteria while Business Wire teaches loan sampling

specifically by the risk status of the loan. It would have been obvious to one of ordinary

skill in the art at the time of the invention to modify Acosta to include the details of

analyzing based on risk. Analyzing loans based on risk provides the ability to measure,

and thereby improve, loan quality, while significantly reducing the operational costs of

compliance. Improved loan quality attracts more and better borrowers, while insuring a

portfolio premium with investors and agencies. Risk is also a well known characteristic

of a loan.

15.   Regarding claim 41, Acosta teaches wherein the loan parameters include one or

more numeric field values associated with the loans (col. 1, line 63 – col. 3, line 16).

Acosta does not specifically teach wherein the sampling specifically involves loan risk.

However, Business Wire teaches loan sampling in association with risk (pg. 1-2).

Acosta teaches loan sampling based on various criteria while Business Wire teaches

loan sampling specifically by the risk status of the loan. It would have been obvious to

one of ordinary skill in the art at the time of the invention to modify Acosta to include the

details of analyzing based on risk. Analyzing loans based on risk provides the ability to

measure, and thereby improve, loan quality, while significantly reducing the operational

costs of compliance. Improved loan quality attracts more and better borrowers, while

insuring a portfolio premium with investors and agencies. Risk is also a well known

characteristic of a loan.

16.   Claim 42 is rejected under 35 U.S.C. 103(a) as being unpatentable over Acosta

et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of Tealdi

(US 20010029482 A1) in further view of Libman (US 2007/0043654).

17.   Regarding claim 42, Acosta teaches loan sampling, while Business Wire teaches

the loan sampling of high risk loans. The combination of Acosta and Business Wire

does not specifically teach all the specific numeric fields as claimed. However, Tealdi

teaches wherein the numeric field values include current balance, loan-to-value,

combined loan-to-value, debt-to-income ratio, and delinquent (¶ 116, 128, 146, 169).

The combination of Acosta and Business Wire teach a risk loan sampling tool. Tealdi

teaches an automatic system for handling loans. It would have been obvious to one of

ordinary skill in the art at the time of the invention to modify Acosta to include the details

of the specific numeric field values. As in Tealdi it is within the capabilities of one of

ordinary skill in the art to add steps involved in loan processing to an invention which includes loan sampling. The various values were well known in the art to be associated with loans. Acosta does not specifically teach analyzing by the number of days delinquent. However, Libman teaches including the number of days delinquent (see at least ¶ 44-49). Acosta teaches servicing of loan portfolios and loan servicing portfolios. Libman teaches evaluating loans, and more particularly, to a system and method for providing a mortgage loan pricing model for various lending scenarios. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Acosta to include the details of associating days delinquent on paying a loan with risk. There is often a direct correlation between late payments and the risk associated with a specific loan. A loan defaults when the person who has the loan is unable to pay the loan. Thus if someone is delinquent in payment depending on the number of days late there is a greater chance as the payment is later and later of there eventually being a default on the account.

18.   Claims 43-45 are rejected under 35 U.S.C. 103(a) as being unpatentable over Acosta et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of Libman (US 2007/0043654).

19.   Regarding claim 43, Acosta teaches wherein loan parameters include one or more text field values associated with loans (col. 3, line 35 – col. 5, line 58).

20.   Regarding claim 44, Acosta teaches wherein the text field values include

property type, documentation type, origination channel, and product type (col. 3, lines

35-60).

21.   Regarding claim 45, Acosta teaches sampling for a loan. Acosta does not

specifically teach wherein the sampling specifically involves loan risk. Acosta does

teach reporting loans, but does not teach the specific criteria of a high risk loan.

However, Business Wire teaches wherein the loan aggregation tool includes a high risk

reporting tool to aggregate the loans based on one or more high risk report categories

(pg. 1-2). Acosta teaches loan sampling based on various criteria while Business Wire

teaches loan sampling specifically by the risk status of the loan. It would have been

obvious to one of ordinary skill in the art at the time of the invention to modify Acosta to

include the details of analyzing based on risk. Analyzing loans based on risk provides

the ability to measure, and thereby improve, loan quality, while significantly reducing the

operational costs of compliance. Improved loan quality attracts more and better

borrowers, while insuring a portfolio premium with investors and agencies. Risk is also a

well known characteristic of a loan.

22.   Claim 46 is rejected under 35 U.S.C. 103(a) as being unpatentable over Acosta

et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of Avery

(1996) in further view of Libman (US 2007/0043654) in view of Jewell (1999) in further

view of Cole (2002/0133371).

23.   Regarding claim 46, the combination of Acosta and Business Wire teaches loan sampling involving risk. Acosta and Business Wire do not specifically teach all the specific high risk report categories. However, Avery teaches wherein the high risk report categories include high risk locations, portfolio concentrations, borrower concentrations, and zip code concentrations. Acosta teaches loan sampling based on various criteria while Business Wire teaches loan sampling specifically by the risk status of the loan. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Acosta to include the details of analyzing based on risk report categories. Analyzing loans based on risk provides the ability to measure, and thereby improve, loan quality, while significantly reducing the operational costs of compliance. Improved loan quality attracts more and better borrowers, while insuring a portfolio premium with investors and agencies. Risk is also a well known characteristic of a loan. The more categories analyzed the more information received on the loan and the better assessment that is made. Acosta does not specifically teach a high risk category being fraud results. However, Jewell teaches wherein fraud results are a high risk category. It would have been obvious at the time of the invention to modify Acosta with high risk categories including fraud results. When an individual commits fraud the individual has the intention of cheating a company or person out of money. As a business it is not wise to fall for any fraudulent attempts as it is a loss of profits. The more information received about a possible fraud attempt the better. Thus it is important to check fraud results when doing any type of high risk report in relation to any type of financial banking,

including loans. This is further evidenced by Cole with teaches a method of detecting

fraud in relation to mortgage or loan applications.

24.   Claim 47 is rejected under 35 U.S.C. 103(a) as being unpatentable over Acosta

et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of Tealdi

(US 20010029482 A1) in further view of Libman (US 2007/0043654).

25.   Regarding claim 47, Acosta teaches loan sampling, while Business Wire teaches

the loan sampling of high risk loans. The combination of Acosta and Business Wire

does not specifically teach all the specific numeric fields as claimed. However, Tealdi

teaches wherein the risk results include automated underwriting results, adverse

selection query results, and high risk profile results (¶ 64, 187-188, abstract). The

combination of Acosta and Business Wire teach a risk loan sampling tool. Tealdi

teaches an automatic system for handling loans. It would have been obvious to one of

ordinary skill in the art at the time of the invention to modify Acosta to include the details

of the specific risk results. As in Tealdi it is within the capabilities of one of ordinary skill

in the art to add steps involved in loan processing to an invention which includes loan

sampling. The various risk results were well known in the art at the time of the invention

to be associated with loans.

26.   Claims 48-50 are rejected under 35 U.S.C. 103(a) as being unpatentable over

Acosta et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of

Libman (US 2007/0043654).

27.   Regarding claim 48, Acosta teaches wherein the sampling tool includes a loan

selection tool to select an amount of loans from each result to fill the target loan sample

size (col. 3, line 35-60 and col. 1, line 63 – col. 3, line 16, col. 9 line 11 - 25). Acosta

does not specifically teach wherein the sampling specifically involves high risk loans.

However, Business Wire teaches wherein the selection tool detects high risk loans

including different risk results (pg. 1-2). Acosta teaches loan sampling based on various

criteria while Business Wire teaches loan sampling specifically by the risk status of the

loan. It would have been obvious to one of ordinary skill in the art at the time of the

invention to modify Acosta to include the details of analyzing based on risk. Analyzing

loans based on risk provides the ability to measure, and thereby improve, loan quality,

while significantly reducing the operational costs of compliance. Improved loan quality

attracts more and better borrowers, while insuring a portfolio premium with investors

and agencies. Risk is also a well known characteristic of a loan.

28.   Regarding claim 49-50, Acosta teaches loan sampling based on criteria. Acosta

does not specifically teach random sampling. However, Business Wire teaches wherein

the loan selection tool randomly selects the loans to fill the target loan sample size (pg.

1-2). Acosta teaches loan sampling based on various criteria while Business Wire

teaches loan sampling specifically by the risk status of the loan. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Acosta to include the details of random sampling. Random sampling's benefits lie in simple probability given a large enough sample, a random selection should produce a representative cross-section of the thing being sampled. It is important for the purposes of analyzing the most data representative data possible.

29.   Claims 51, 52 are rejected under 35 U.S.C. 103(a) as being unpatentable over Acosta et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of Libman (US 2007/0043654).

30.   Regarding claim 51, Acosta teaches designating a target loan sample size (col. 3, line 35-60 and col. 1, line 63 – col. 3, line 16). Acosta teaches aggregating loans in a loan pool into a plurality of results based on loan-level data associated with each of one or more loans in the loan pool (col. 3, line 35-60 and col. 1, line 63 – col. 3, line 16, col. 9, lines 11-25). Acosta teaches selecting an amount of loans from the plurality of results up to the designated target loan sample size (col. 3, line 35-60 and col. 1, line 63 – col. 3, line 16, col. 9, lines 11-25, col. 9, lines 11-25). Acosta does not specifically teach wherein the sampling specifically involves high risk loans. However, Business Wire teaches wherein the selection tool detects high risk loans including different risk results (pg. 1-2). Acosta teaches loan sampling based on various criteria while Business Wire teaches loan sampling specifically by the risk status of the loan. It would have been

obvious to one of ordinary skill in the art at the time of the invention to modify Acosta to include the details of analyzing based on risk. Analyzing loans based on risk provides the ability to measure, and thereby improve, loan quality, while significantly reducing the operational costs of compliance. Improved loan quality attracts more and better borrowers, while insuring a portfolio premium with investors and agencies. Risk is also a well known characteristic of a loan. Acosta does not specifically teach aggregating a plurality of loans in a loan pool into a plurality of risk results or selecting an amount of a plurality of loans from each of a plurality of risk results to make a sample size. However, Libman teaches aggregating loans in a loan pool into a plurality of risk results based on the loan-level data associated with each of one or more loans in the loan pool (¶ 37-46, 57). Libman also teaches selecting an amount of the plurality of loans from each of the plurality of risk results up to a designated target loan sample size (¶ 37-46, 57). Acosta teaches servicing of loan portfolios and loan servicing portfolios. Libman teaches evaluating loans, and more particularly, to a system and method for providing a mortgage loan pricing model for various lending scenarios. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Acosta to include the details of analyzing based on risk. Analyzing loans based on risk provides the ability to measure, and thereby improve, loan quality, while significantly reducing the operational costs of compliance. Improved loan quality attracts more and better borrowers, while insuring a portfolio premium with investors and agencies. Risk is also a well known characteristic of a loan. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Acosta to include the details of aggregating

loans into a loan pool based on risk. Effective management of the loan pool's risk

requires understanding and control of the risk profile and its culture. There must have a

thorough knowledge of the pool's composition and its inherent risks. It is important to

understand a pools mix, industry and geographic concentrations, average risk ratings,

and other aggregate characteristics. The policies, processes, and practices

implemented to control the risks of individual loans and portfolio segments must be

sound. It would have been obvious to one of ordinary skill in the art at the time of the

invention to modify Acosta to include selecting an amount of loans from the risk results

to a designated loan sample size. A target loan sample size allows the investor to

control the number of loans in the pool but also allows for a control of the risk. The

greater the number of high risk investments involved in the pool the more risk the

investor will have.

31.   Regarding claim 52, Acosta teaches a current loan sample size and a target loan

sample size (col. 9, line 11-25).

32.   Claims 53, 54, are rejected under 35 U.S.C. 103(a) as being unpatentable over

Acosta et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of

Tealdi (US 20010029482 A1) in further view of Libman (US 2007/0043654).

33.   Regarding claim 53, Acosta teaches loan sampling, while Business Wire teaches

the loan sampling of high risk loans. The combination of Acosta and Business Wire

does not specifically teach the act of underwriting the loan. However, Tealdi teaches an

automated underwriting tool to aggregate the loans based on one or more underwriting

categories (¶ 125-138). The combination of Acosta and Business Wire teach a risk loan

sampling tool. Tealdi teaches an automatic system for handling loans. It would have

been obvious to one of ordinary skill in the art at the time of the invention to modify

Acosta to include the details of underwriting a loan into different categories into the

system of Acosta. As in Tealdi it is within the capabilities of one of ordinary skill in the

art to add steps involved in loan processing to an invention which includes loan

sampling. The technique of underwriting a loan was old and well known at the time of

the invention.

34.   Regarding claim 54, Acosta teaches loan sampling, while Business Wire teaches

the loan sampling of high risk loans. The combination of Acosta and Business Wire

does not specifically teach the act of underwriting the loan a into the categories of

reject, prime and sub-prime. However, Tealdi teaches wherein the underwriting

categories include reject, prime, and sub-prime categories (¶ 125-138). The

combination of Acosta and Business Wire teach a risk loan sampling tool. Tealdi

teaches an automatic system for handling loans. It would have been obvious to one of

ordinary skill in the art at the time of the invention to modify Acosta to include the details

of underwriting a loan into different categories into the system of Acosta. As in Tealdi it

is within the capabilities of one of ordinary skill in the art to add steps involved in loan

processing to an invention which includes loan sampling. The technique of underwriting

a loan including reject, prime, and sub-prime was well known in the art at the time of the

invention.

35.   Claims 55, 56 are rejected under 35 U.S.C. 103(a) as being unpatentable over

Acosta et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of

Libman (US 2007/0043654).

36.   Regarding claim 55, Acosta teaches wherein the loan aggregation tool includes

an adverse selection query tool to aggregate the loans based on one or more loan

parameters associated with a profile of the loan pool (col. 3, line 35-60). Acosta does

not specifically teach wherein the sampling specifically involves loan risk. However,

Business Wire teaches loan sampling in association with risk (pg. 1-2). Acosta teaches

loan sampling based on various criteria while Business Wire teaches loan sampling

specifically by the risk status of the loan. It would have been obvious to one of ordinary

skill in the art at the time of the invention to modify Acosta to include the details of

analyzing based on risk. Analyzing loans based on risk provides the ability to measure,

and thereby improve, loan quality, while significantly reducing the operational costs of

compliance. Improved loan quality attracts more and better borrowers, while insuring a

portfolio premium with investors and agencies. Risk is also a well known characteristic

of a loan.

37.   Regarding claim 56, Acosta teaches wherein the loan parameters include one or more numeric field values associated with the loans (col. 1, line 63 – col. 3, line 16). Acosta does not specifically teach wherein the sampling specifically involves loan risk. However, Business Wire teaches loan sampling in association with risk (pg. 1-2). Acosta teaches loan sampling based on various criteria while Business Wire teaches loan sampling specifically by the risk status of the loan. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Acosta to include the details of analyzing based on risk. Analyzing loans based on risk provides the ability to measure, and thereby improve, loan quality, while significantly reducing the operational costs of compliance. Improved loan quality attracts more and better borrowers, while insuring a portfolio premium with investors and agencies. Risk is also a well known characteristic of a loan.

38.   Claim 57 is rejected under 35 U.S.C. 103(a) as being unpatentable over Acosta et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of Tealdi (US 20010029482 A1) in further view of Libman (US 2007/0043654).

39.   Regarding claim 57, Acosta teaches loan sampling, while Business Wire teaches the loan sampling of high risk loans. The combination of Acosta and Business Wire does not specifically teach all the specific numeric fields as claimed. However, Tealdi teaches wherein the numeric field values include current balance, loan-to-value, combined loan-to-value, debt-to-income ratio, and delinquent (¶ 116, 128, 146, 169).

The combination of Acosta and Business Wire teach a risk loan sampling tool. Tealdi teaches an automatic system for handling loans. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Acosta to include the details of the specific numeric field values. As in Tealdi it is within the capabilities of one of ordinary skill in the art to add steps involved in loan processing to an invention which includes loan sampling. The various values were well known in the art to be associated with loans. Acosta does not specifically teach analyzing by the number of days delinquent. However, Libman teaches including the number of days delinquent (see at least ¶ 44-49). Acosta teaches servicing of loan portfolios and loan servicing portfolios. Libman teaches evaluating loans, and more particularly, to a system and method for providing a mortgage loan pricing model for various lending scenarios. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Acosta to include the details of associating days delinquent on paying a loan with risk. There is often a direct correlation between late payments and the risk associated with a specific loan. A loan defaults when the person who has the loan is unable to pay the loan. Thus if someone is delinquent in payment depending on the number of days late there is a greater chance as the payment is later and later of there eventually being a default on the account.

40.   Claims 58-60 are rejected under 35 U.S.C. 103(a) as being unpatentable over Acosta et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of Libman (US 2007/0043654).

41.   Regarding claim 58, Acosta teaches wherein loan parameters include one or

more text field values associated with loans (col. 3, line 35 – col. 5, line 58).

42.   Regarding claim 59, Acosta teaches wherein the text field values include

property type, documentation type, origination channel, and product type (col. 3, lines

35-60).

43.   Regarding claim 60, Acosta teaches sampling for a loan. Acosta does not

specifically teach wherein the sampling specifically involves loan risk. Acosta does

teach reporting loans, but does not teach the specific criteria of a high risk loan.

However, Business Wire teaches wherein the loan aggregation tool includes a high risk

reporting tool to aggregate the loans based on one or more high risk report categories

(pg. 1-2). Acosta teaches loan sampling based on various criteria while Business Wire

teaches loan sampling specifically by the risk status of the loan. It would have been

obvious to one of ordinary skill in the art at the time of the invention to modify Acosta to

include the details of analyzing based on risk. Analyzing loans based on risk provides

the ability to measure, and thereby improve, loan quality, while significantly reducing the

operational costs of compliance. Improved loan quality attracts more and better

borrowers, while insuring a portfolio premium with investors and agencies. Risk is also a

well known characteristic of a loan.

44.   Claim 61 is rejected under 35 U.S.C. 103(a) as being unpatentable over Acosta

et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of

Libman (US 2007/0043654) in further view of Avery (1996) in view of Jewell (1999) in

further view of Cole (2002/0133371).

45.   Regarding claim 61, the combination of Acosta and Business Wire teaches loan

sampling involving risk. Acosta and Business Wire don't specifically teach all the

specific high risk report categories. However, Avery teaches wherein the high risk report

categories include high risk locations, portfolio concentrations, borrower concentrations,

and zip code concentrations. Acosta teaches loan sampling based on various criteria

while Business Wire teaches loan sampling specifically by the risk status of the loan. It

would have been obvious to one of ordinary skill in the art at the time of the invention to

modify Acosta to include the details of analyzing based on risk report categories.

Analyzing loans based on risk provides the ability to measure, and thereby improve,

loan quality, while significantly reducing the operational costs of compliance. Improved

loan quality attracts more and better borrowers, while insuring a portfolio premium with

investors and agencies. Risk is also a well known characteristic of a loan. The more

categories analyzed the more information received on the loan and the better

assessment that is made. Acosta does not specifically teach a high risk category being

fraud results. However, Jewell teaches wherein fraud results are a high risk category. It

would have been obvious at the time of the invention to modify Acosta with high risk

categories including fraud results. When an individual commits fraud the individual has

the intention of cheating a company or person out of money. As a business it is not wise

to fall for any fraudulent attempts as it is a loss of profits. The more information received

about a possible fraud attempt the better. Thus it is important to check fraud results

when doing any type of high risk report in relation to any type of financial banking,

including loans. This is further evidenced by Cole with teaches a method of detecting

fraud in relation to mortgage or loan applications.

46.   Claim 62 is rejected under 35 U.S.C. 103(a) as being unpatentable over Acosta

et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of Tealdi

(US 20010029482 A1) in further view of Libman (US 2007/0043654).

47.   Regarding claim 62, Acosta teaches loan sampling, while Business Wire teaches

the loan sampling of high risk loans. The combination of Acosta and Business Wire

does not specifically teach all the specific numeric fields as claimed. However, Tealdi

teaches wherein the risk results include automated underwriting results, adverse

selection query results, and high risk profile results (¶ 64, 187-188, abstract). The

combination of Acosta and Business Wire teach a risk loan sampling tool. Tealdi

teaches an automatic system for handling loans. It would have been obvious to one of

ordinary skill in the art at the time of the invention to modify Acosta to include the details

of the specific risk results. As in Tealdi it is within the capabilities of one of ordinary skill

in the art to add steps involved in loan processing to an invention which includes loan

sampling. The various risk results were well known in the art at the time of the invention

to be associated with loans.

48.   Claims 63-65 are rejected under 35 U.S.C. 103(a) as being unpatentable over

Acosta et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of

Libman (US 2007/0043654).

49.   Regarding claim 63, Acosta teaches wherein the sampling tool includes a loan

selection tool to select an amount of loans from each result to fill the target loan sample

size (col. 3, line 35-60 and col. 1, line 63 – col. 3, line 16, col. 9 line 11 - 25). Acosta

does not specifically teach wherein the sampling specifically involves high risk loans.

However, Business Wire teaches wherein the selection tool detects high risk loans

including different risk results (pg. 1-2). Acosta teaches loan sampling based on various

criteria while Business Wire teaches loan sampling specifically by the risk status of the

loan. It would have been obvious to one of ordinary skill in the art at the time of the

invention to modify Acosta to include the details of analyzing based on risk. Analyzing

loans based on risk provides the ability to measure, and thereby improve, loan quality,

while significantly reducing the operational costs of compliance. Improved loan quality

attracts more and better borrowers, while insuring a portfolio premium with investors

and agencies. Risk is also a well known characteristic of a loan.

50.   Regarding claim 64-65, Acosta teaches loan sampling based on criteria. Acosta
does not specifically teach random sampling. However, Business Wire teaches wherein
the loan selection tool randomly selects the loans to fill the target loan sample size (pg.
1-2). Acosta teaches loan sampling based on various criteria while Business Wire
teaches loan sampling specifically by the risk status of the loan. It would have been
obvious to one of ordinary skill in the art at the time of the invention to modify Acosta to
include the details of random sampling. Random sampling's benefits lie in simple
probability given a large enough sample, a random selection should produce a
representative cross-section of the thing being sampled. It is important for the purposes
of analyzing the most data representative data possible.

51.   Claims 66-67 are rejected under 35 U.S.C. 103(a) as being unpatentable over
Acosta et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of
Libman (US 2007/0043654).

52.   Regarding claim 66, Acosta teaches a computer with a storage medium with
instructions. Acosta teaches designating a target loan sample size (col. 3, line 35-60
and col. 1, line 63 – col. 3, line 16). Acosta teaches aggregating loans in a loan pool into
a plurality of results based on loan-level data associated with each of one or more loans
in the loan pool (col. 3, line 35-60 and col. 1, line 63 – col. 3, line 16, col. 9, lines 11-25).
Acosta teaches selecting an amount of loans from the plurality of results up to the
designated target loan sample size (col. 3, line 35-60 and col. 1, line 63 – col. 3, line 16,

col. 9, lines 11-25, col. 9, lines 11-25). Acosta does not specifically teach wherein the sampling specifically involves high risk loans. However, Business Wire teaches wherein the selection tool detects high risk loans including different risk results (pg. 1-2). Acosta teaches loan sampling based on various criteria while Business Wire teaches loan sampling specifically by the risk status of the loan. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Acosta to include the details of analyzing based on risk. Analyzing loans based on risk provides the ability to measure, and thereby improve, loan quality, while significantly reducing the operational costs of compliance. Improved loan quality attracts more and better borrowers, while insuring a portfolio premium with investors and agencies. Risk is also a well known characteristic of a loan. Acosta does not specifically teach aggregating a plurality of loans in a loan pool into a plurality of risk results or selecting an amount of a plurality of loans from each of a plurality of risk results to make a sample size. However, Libman teaches aggregating loans in a loan pool into a plurality of risk results based on loan-level data associated with each of one or more loans in the loan pool (¶ 37-46, 57). Libman also teaches selecting an amount of loans from each of the plurality of risk results up to a designated target loan sample size (¶ 37-46, 57). Acosta teaches servicing of loan portfolios and loan servicing portfolios. Libman teaches evaluating loans, and more particularly, to a system and method for providing a mortgage loan pricing model for various lending scenarios. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Acosta to include the details of analyzing based on risk. Analyzing loans based on risk provides the ability to

measure, and thereby improve, loan quality, while significantly reducing the operational

costs of compliance. Improved loan quality attracts more and better borrowers, while

insuring a portfolio premium with investors and agencies. Risk is also a well known

characteristic of a loan. It would have been obvious to one of ordinary skill in the art at

the time of the invention to modify Acosta to include the details of aggregating loans into

a loan pool based on risk. Effective management of the loan pool's risk requires

understanding and control of the risk profile and its culture. There must have a thorough

knowledge of the pool's composition and its inherent risks. It is important to understand

a pools mix, industry and geographic concentrations, average risk ratings, and other

aggregate characteristics. The policies, processes, and practices implemented to

control the risks of individual loans and portfolio segments must be sound. It would have

been obvious to one of ordinary skill in the art at the time of the invention to modify

Acosta to include selecting an amount of loans from the risk results to a designated loan

sample size. A target loan sample size allows the investor to control the number of

loans in the pool but also allows for a control of the risk. The greater the number of high

risk investments involved in the pool the more risk the investor will have.

53.   Regarding claim 67, Acosta teaches a current loan sample size and a target loan

sample size (col. 9, line 11-25).

54.   Claims 68-69 are rejected under 35 U.S.C. 103(a) as being unpatentable over

Acosta et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of

Tealdi (US 20010029482 A1) in further view of Libman (US 2007/0043654).

55.   Regarding claim 68, Acosta teaches loan sampling, while Business Wire teaches

the loan sampling of high risk loans. The combination of Acosta and Business Wire

does not specifically teach the act of underwriting the loan. However, Tealdi teaches an

automated underwriting tool to aggregate the loans based on one or more underwriting

categories (¶ 125-138). The combination of Acosta and Business Wire teach a risk loan

sampling tool. Tealdi teaches an automatic system for handling loans. It would have

been obvious to one of ordinary skill in the art at the time of the invention to modify

Acosta to include the details of underwriting a loan into different categories into the

system of Acosta. As in Tealdi it is within the capabilities of one of ordinary skill in the

art to add steps involved in loan processing to an invention which includes loan

sampling. The technique of underwriting a loan was old and well known at the time of

the invention.

56.   Regarding claim 69, Acosta teaches loan sampling, while Business Wire teaches

the loan sampling of high risk loans. The combination of Acosta and Business Wire

does not specifically teach the act of underwriting the loan a into the categories of

reject, prime and sub-prime. However, Tealdi teaches wherein the underwriting

categories include reject, prime, and sub-prime categories (¶ 125-138). The

combination of Acosta and Business Wire teach a risk loan sampling tool. Tealdi

teaches an automatic system for handling loans. It would have been obvious to one of

ordinary skill in the art at the time of the invention to modify Acosta to include the details

of underwriting a loan into different categories into the system of Acosta. As in Tealdi it

is within the capabilities of one of ordinary skill in the art to add steps involved in loan

processing to an invention which includes loan sampling. The technique of underwriting

a loan including reject, prime, and sub-prime was well known in the art at the time of the

invention.

57.   Claims 70-71 are rejected under 35 U.S.C. 103(a) as being unpatentable over

Acosta et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of

Libman (US 2007/0043654).

58.   Regarding claim 70, Acosta teaches wherein the loan aggregation tool includes

an adverse selection query tool to aggregate the loans based on one or more loan

parameters associated with a profile of the loan pool (col. 3, line 35-60). Acosta does

not specifically teach wherein the sampling specifically involves loan risk. However,

Business Wire teaches loan sampling in association with risk (pg. 1-2). Acosta teaches

loan sampling based on various criteria while Business Wire teaches loan sampling

specifically by the risk status of the loan. It would have been obvious to one of ordinary

skill in the art at the time of the invention to modify Acosta to include the details of

analyzing based on risk. Analyzing loans based on risk provides the ability to measure,

and thereby improve, loan quality, while significantly reducing the operational costs of compliance. Improved loan quality attracts more and better borrowers, while insuring a portfolio premium with investors and agencies. Risk is also a well known characteristic of a loan.

59.   Regarding claim 71, Acosta teaches wherein the loan parameters include one or more numeric field values associated with the loans (col. 1, line 63 – col. 3, line 16). Acosta does not specifically teach wherein the sampling specifically involves loan risk. However, Business Wire teaches loan sampling in association with risk (pg. 1-2). Acosta teaches loan sampling based on various criteria while Business Wire teaches loan sampling specifically by the risk status of the loan. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Acosta to include the details of analyzing based on risk. Analyzing loans based on risk provides the ability to measure, and thereby improve, loan quality, while significantly reducing the operational costs of compliance. Improved loan quality attracts more and better borrowers, while insuring a portfolio premium with investors and agencies. Risk is also a well known characteristic of a loan.

60.   Claims 72 is rejected under 35 U.S.C. 103(a) as being unpatentable over Acosta et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of Tealdi (US 20010029482 A1) in further view of Libman (US 2007/0043654).

61.   Regarding claim 72, Acosta teaches loan sampling, while Business Wire teaches

the loan sampling of high risk loans. The combination of Acosta and Business Wire

does not specifically teach all the specific numeric fields as claimed. However, Tealdi

teaches wherein the numeric field values include current balance, loan-to-value,

combined loan-to-value, debt-to-income ratio, and delinquent (¶ 116, 128, 146, 169).

The combination of Acosta and Business Wire teach a risk loan sampling tool. Tealdi

teaches an automatic system for handling loans. It would have been obvious to one of

ordinary skill in the art at the time of the invention to modify Acosta to include the details

of the specific numeric field values. As in Tealdi it is within the capabilities of one of

ordinary skill in the art to add steps involved in loan processing to an invention which

includes loan sampling. The various values were well known in the art to be associated

with loans. Acosta does not specifically teach analyzing by the number of days

delinquent. However, Libman teaches including the number of days delinquent (see at

least ¶ 44-49). Acosta teaches servicing of loan portfolios and loan servicing portfolios.

Libman teaches evaluating loans, and more particularly, to a system and method for

providing a mortgage loan pricing model for various lending scenarios. It would have

been obvious to one of ordinary skill in the art at the time of the invention to modify

Acosta to include the details of associating days delinquent on paying a loan with risk.

There is often a direct correlation between late payments and the risk associated with a

specific loan. A loan defaults when the person who has the loan is unable to pay the

loan. Thus if someone is delinquent in payment depending on the number of days late

there is a greater chance as the payment is later and later of there eventually being a

default on the account.

62.   Claims 73-75 are rejected under 35 U.S.C. 103(a) as being unpatentable over

Acosta et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of

Libman (US 2007/0043654).

63.   Regarding claim 73, Acosta teaches wherein loan parameters include one or

more text field values associated with loans (col. 3, line 35 – col. 5, line 58).

64.   Regarding claim 74, Acosta teaches wherein the text field values include

property type, documentation type, origination channel, and product type (col. 3, lines

35-60).

65.   Regarding claim 75, Acosta teaches sampling for a loan. Acosta does not

specifically teach wherein the sampling specifically involves loan risk. Acosta does

teach reporting loans, but does not teach the specific criteria of a high risk loan.

However, Business Wire teaches wherein the loan aggregation tool includes a high risk

reporting tool to aggregate the loans based on one or more high risk report categories

(pg. 1-2). Acosta teaches loan sampling based on various criteria while Business Wire

teaches loan sampling specifically by the risk status of the loan. It would have been

obvious to one of ordinary skill in the art at the time of the invention to modify Acosta to

include the details of analyzing based on risk. Analyzing loans based on risk provides

the ability to measure, and thereby improve, loan quality, while significantly reducing the

operational costs of compliance. Improved loan quality attracts more and better

borrowers, while insuring a portfolio premium with investors and agencies. Risk is also a

well known characteristic of a loan.

66.   Claims 76 is rejected under 35 U.S.C. 103(a) as being unpatentable over Acosta

et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of Avery

(1996) in further view of Libman (US 2007/0043654) in view of Jewell (1999) in further

view of Cole (2002/0133371).

67.   Regarding claim 76, the combination of Acosta and Business Wire teaches loan

sampling involving risk. Acosta and Business Wire don't specifically teach all the

specific high risk report categories. However, Avery teaches wherein the high risk report

categories include high risk locations, portfolio concentrations, borrower concentrations,

and zip code concentrations. Acosta teaches loan sampling based on various criteria

while Business Wire teaches loan sampling specifically by the risk status of the loan. It

would have been obvious to one of ordinary skill in the art at the time of the invention to

modify Acosta to include the details of analyzing based on risk report categories.

Analyzing loans based on risk provides the ability to measure, and thereby improve,

loan quality, while significantly reducing the operational costs of compliance. Improved

loan quality attracts more and better borrowers, while insuring a portfolio premium with

investors and agencies. Risk is also a well known characteristic of a loan. The more

categories analyzed the more information received on the loan and the better

assessment that is made. Acosta does not specifically teach a high risk category being

fraud results. However, Jewell teaches wherein fraud results are a high risk category. It

would have been obvious at the time of the invention to modify Acosta with high risk

categories including fraud results. When an individual commits fraud the individual has

the intention of cheating a company or person out of money. As a business it is not wise

to fall for any fraudulent attempts as it is a loss of profits. The more information received

about a possible fraud attempt the better. Thus it is important to check fraud results

when doing any type of high risk report in relation to any type of financial banking,

including loans. This is further evidenced by Cole with teaches a method of detecting

fraud in relation to mortgage or loan applications.

68.   Claim 77 is rejected under 35 U.S.C. 103(a) as being unpatentable over Acosta

et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of Tealdi

(US 20010029482 A1) in further view of Libman (US 2007/0043654).

69.   Regarding claim 77, Acosta teaches loan sampling, while Business Wire teaches

the loan sampling of high risk loans. The combination of Acosta and Business Wire

does not specifically teach all the specific numeric fields as claimed. However, Tealdi

teaches wherein the risk results include automated underwriting results, adverse

selection query results, and high risk profile results (¶ 64, 187-188, abstract). The

combination of Acosta and Business Wire teach a risk loan sampling tool. Tealdi

teaches an automatic system for handling loans. It would have been obvious to one of

ordinary skill in the art at the time of the invention to modify Acosta to include the details

of the specific risk results. As in Tealdi it is within the capabilities of one of ordinary skill

in the art to add steps involved in loan processing to an invention which includes loan

sampling. The various risk results were well known in the art at the time of the invention

to be associated with loans.

70.   Claims 78-80 are rejected under 35 U.S.C. 103(a) as being unpatentable over

Acosta et al (US 6643625 B1) in view of Business Wire (May 27, 1999) in further view of

Libman (US 2007/0043654).

71.   Regarding claim 78, Acosta teaches wherein the sampling tool includes a loan

selection tool to select an amount of loans from each result to fill the target loan sample

size (col. 3, line 35-60 and col. 1, line 63 – col. 3, line 16, col. 9 line 11 - 25). Acosta

does not specifically teach wherein the sampling specifically involves high risk loans.

However, Business Wire teaches wherein the selection tool detects high risk loans

including different risk results (pg. 1-2). Acosta teaches loan sampling based on various

criteria while Business Wire teaches loan sampling specifically by the risk status of the

loan. It would have been obvious to one of ordinary skill in the art at the time of the

invention to modify Acosta to include the details of analyzing based on risk. Analyzing

loans based on risk provides the ability to measure, and thereby improve, loan quality,

while significantly reducing the operational costs of compliance. Improved loan quality

attracts more and better borrowers, while insuring a portfolio premium with investors

and agencies. Risk is also a well known characteristic of a loan.

72.   Regarding claim 79-80, Acosta teaches loan sampling based on criteria. Acosta

does not specifically teach random sampling. However, Business Wire teaches wherein

the loan selection tool randomly selects the loans to fill the target loan sample size (pg.

1-2). Acosta teaches loan sampling based on various criteria while Business Wire

teaches loan sampling specifically by the risk status of the loan. It would have been

obvious to one of ordinary skill in the art at the time of the invention to modify Acosta to

include the details of random sampling. Random sampling's benefits lie in simple

probability given a large enough sample, a random selection should produce a

representative cross-section of the thing being sampled. It is important for the purposes

of analyzing the most data representative data possible.

73.   Examiner's Note: The Examiner has cited particular columns and line numbers

in the references as applied to the claims for the convenience of the applicant.

Although the specified citations are representative of the teachings in the art and are

applied to the specific limitations within the individual claim, other passages and figures

may apply as well. It is respectfully requested from the applicant, in preparing the

responses, to fully consider the references in entirety as potentially teaching all or part

of the claimed invention, as well as the context of the passage as taught by the prior art

or disclosed by the examiner.

Conclusion

Any inquiry concerning this communication or earlier communications from the

examiner should be directed to JAMIE H. SWARTZ whose telephone number is

(571)272-7363. The examiner can normally be reached on 8:00am-4:30pm Monday-

Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, James Trammell can be reached on (571) 272-6712. The fax phone

number for the organization where this application or proceeding is assigned is 571-

273-8300.

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system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/J. H. S./
Examiner, Art Unit 3694

/James P Trammell/
Supervisory Patent Examiner, Art Unit 3694